

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

No. 1366

Washington, D. C.

December 8, 1951

Schedule of Over-All Events For 1952 Convention Period

The three sponsoring associations will open the major activities of the 1952 Convention simultaneously on the morning of Saturday, January 19, at Atlantic City. At that time, the National Canners Association will hold its Opening General Session, the National Food Brokers Association will start its all-day business meeting, and the Canning Machinery & Supplies Association will open its Annual Exhibit.

The C.M.&S.A. exhibit will be open daily through Wednesday from 10 a.m. through 5:30 p.m. except on Sunday, when it will open at 1 p.m. The C.M.&S.A. will hold its business meeting Sunday morning.

The N.C.A. schedule on Saturday will include general sessions in the morning and afternoon, and conferences on technical and raw products

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Apples and Apple Products

SR 2 to CPR 56 provides for optional adjustable pricing for certain apple products, effective December 3. The supplementary regulation applies to sales by processors of canned and bottled apple juice (excluding cider), canned apple sauce, and canned apples covered under CPR 56.

SR 2 permits processors of the apple products to sell and deliver at any price agreed upon in writing with the buyer, providing the processor also agrees in the written contract that the final sales price shall be either the contract price or the subsequently-fixed ceiling price, whichever is lower. The processor must also agree in writing to refund to the buyer the difference between the amount paid and the subsequent ceiling price if the subsequent ceiling price is lower.

The pricing methods of SR 2 are elective and any processor may continue to sell at or below his present ceiling prices under CPR 56 without resorting to the supplementary regulation.

Copies of SR 2 to CPR 56 were mailed by N.C.A. to canners of apple products.

Program for Conference On Color of Raw Tomatoes

Topics and speakers for the Tomato Color Conference which will be held at N.C.A. headquarters on December 17 and 18 are complete and a detailed agenda has been mailed by the Raw Products Research Bureau. Subjects to be discussed informally will be the 1951 results of objective color measurements of raw tomatoes in New Jersey; objective and subjective color evaluations of raw tomato quality; experiences in using objective color measurements in grading tomatoes in California; problems involved in obtaining a random sample from a load of tomatoes; and problems involved in use of color instruments.

Speakers on these topics will be from experiment stations in New York, Ohio, Indiana, California, and Maryland. Other participants will be from the U. S. Department of Agriculture and from the canning industry.

The Tomato Color Conference is open to any canner or member of his staff. No reports will be published concerning the meeting or discussions.

Canners Hear N.C.A. Speakers

Officers and staff members of N.C.A. made appearances at several of the state meetings this week.

Vice President Fred C. Heinz spoke at the Maine Canners Association meeting in Portland.

Katherine R. Smith, Director of the Home Economics Division, addressed the meeting of the Georgia Canners Association in Savannah.

C. Meryl Sullivan, Director of the Labeling Division, appeared on the program of the Minnesota Canners Association at St. Paul.

President H. J. Barnes, Vice President Heinz, and Secretary Carlos Campbell were on the program at the meeting of the Association of New York State Canners in Buffalo.

Russell H. Winters of The Larsen Company, Green Bay, Wis., member of the N.C.A. Board of Directors, was one of the speakers at the annual meeting of the Canned Foods Association of Ontario, at Toronto.

Capehart Adjustment Extended to All Canners

The Office of Price Stabilization on December 5 made available to canners of all products not covered by CPR 22 a procedure for applying for individual ceiling price adjustments under the Capehart amendment. The announcement, incorporated in GOR 21, extends the pricing benefits of the Capehart amendment to all but a few producers, manufacturers, processors and service establishments not covered by Capehart adjustment regulations already issued.

GOR 21 differs from GOR 20, the regulation issued last week which enables small canners to calculate their revised price ceilings under the Capehart amendment (see INFORMATION LETTER of December 1, page 396), and SR 17 to CPR 22, which accords the same privilege to canners pricing their products under CPR 22 (see INFORMATION LETTER of November 10, page 379) in that it prescribes only the procedure and information required in filing individual applications for adjustment of price ceilings with OPS. GOR 21 is not self-executing; the revised ceiling prices may be put into effect only upon the receipt of letter orders from OPS issued after full review of each individual application. No time limit is prescribed within which OPS must act on these applications.

Use of the adjustment procedures provided for in GOR 21 is entirely optional with the individual manufacturer. If, however, application for adjustment of the ceiling price on any item covered by any regulation other

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CPR 22 15-Day Waiting Period

Amendment 35 to CPR 22, issued and effective December 5, eliminates the requirement that a manufacturer wait for 15 days after OPS receives his Public Form 8 before putting higher-than-GCPR prices in effect. Under the new procedure, price ceilings calculated under CPR 22 may be made effective as soon as the manufacturer receives notice that his registered mail filing has been delivered to OPS.

STATISTICS

Canned Fruit and Vegetable Stocks and Shipments

Reports on canners' stocks and shipments of canned apples, apple sauce, peaches, and corn have been compiled by the N.C.A. Division of Statistics, and detailed reports have been mailed to all canners packing these items.

Canned Apple Stocks and Shipments

	1951-52 (basis 8/10)
Carryover, Aug. 1.....	1,953,263
Pack, Aug. through Oct.....	1,407,927
Supply.....	3,360,290
Stocks, Nov. 1.....	2,409,834
Shipments during Oct.....	415,169
Shipments, Aug. 1 to Nov. 1.....	890,452

Apple Sauce Stocks and Shipments

	1951-52 (actual cases)
Carryover, Aug. 1.....	3,497,089
Pack, Aug. through Oct.....	4,190,168
Supply.....	7,687,257
Stocks, Nov. 1.....	4,909,835
Shipments during Oct.....	1,344,326
Shipments, Aug. 1 to Nov. 1.....	2,717,422

Stocks of Canned Peaches

State	Nov. 1, 1950 (actual cases)	Nov. 1, 1951
Michigan.....	205,821	17,882
Southeast.....	21,844	55,957
Wash. & Ore.....	118,154	248,053
Calif.: Cling.....	7,116,685	11,636,870
Free.....	889,976	1,546,140
Other states.....	34,989	40,820
U. S. Total.....	8,387,469	13,645,722

*Includes 1,467,573 cases of Elberta freestone peaches and 78,567 Lovells and others.

Canned Corn Stocks and Shipments

	1950-51 (actual cases)	1951-52
Carryover, Aug. 1.....	6,466,680	373,375
Pack.....	21,645,243	30,188,540
Total supply.....	28,111,923	30,561,915
Stocks, Nov. 1.....	18,842,818	19,718,386
Shipments, Aug. 1 to Nov. 1.....	9,269,105	10,843,529

1951 Pack of Canned Peaches

The 1951 pack of canned peaches amounted to 22,781,508 standard cases of 24/2½'s, as compared with the 1950 pack of 16,604,901 standard cases, according to a report by the N.C.A. Division of Statistics.

Pack totals for California are preliminary. A report of 1951 production in actual cases is not yet available but will be included in the final report on the peach pack to be issued in January.

State	1950 (cases—basis 24/2½)	1951
Michigan.....	371,930	33,173
Southeast.....	31,540	463,202
Wash. & Ore.....	65,976	313,378
California:		
Cling.....	14,417,249	19,123,630
Free (Elberta).....	1,676,930	2,479,129
Free (Other).....		313,539
Other states.....	41,250	66,557
U. S. Total.....	16,604,901	22,781,508

Shifts in Marketing Oranges From Fresh to Processed Form

In a report recently issued by the U. S. Department of Agriculture, it is pointed out that prior to the 1939-40 season, more than 95 percent of the Florida oranges marketed were sold for fresh consumption. During the 1950-51 season just ended, only 37 percent of all Florida oranges were marketed in fresh form. Other production areas have been forced to increase their marketings of processed products in order to compete more effectively with Florida. Over the last several decades, the report continues, a trend has been evident in the movement of food processing from the home to the factory. The perfection of processing techniques and the development of satisfactory equipment has made possible a large-scale citrus processing industry.

The three primary outlets for processing oranges into juice are frozen concentrated orange juice, canned single-strength juice, and canned concentrated orange juice (hot pack). Some oranges are used in juice blends, usually with grapefruit. Small quantities are also used each year in canned fruit segments, marmalades and jellies.

Growth of the Industry

The report points out that canned single-strength juice was first produced in the middle 1920's but the pack was relatively small until the late 1930's. Production of canned single-strength juice continued to increase throughout most of the war years and in the immediate postwar period. The total United States pack of canned single-strength orange juice has averaged about 22 million cases (basis 24/2's) in the postwar period compared with an average of 8 million cases during the war years. Total production of the canned concentrated orange juice, often referred to by the trade as "hot pack", reached a wartime peak of almost 5 million gallons in the 1942-43 season, but declined to slightly over 1 million gallons by 1945-46. During the last several years

the pack has averaged almost 5 million gallons. The hot-pack concentrate outlet has been relatively more important in the California-Arizona area than in Florida; about two-thirds of the national production of this product was packed from California-Arizona oranges.

Consumption Trends

The large increase in the consumption of oranges in the form of frozen concentrated orange juice has been accompanied by a fairly substantial decrease in the per capita consumption of fresh oranges from the postwar peak of 1946-47. The volume of oranges utilized in the canned single-strength juice and the canned "hot concentrates" has remained relatively stable since the 1946-47 season.

The report points out that the increased importance of citrus processing has had and will continue to have important influences on consumption and on prices received by producers and paid by consumers. The continuing importance of processing probably will force changes in allocation to various methods of utilization and in marketing channels and facilities for handling at wholesale and retail, the report says.

Transportation Costs

A comparison of transportation costs for equivalent quantities of fresh and processed orange products reveals that it is much cheaper to ship oranges in the processed form. On the basis of freight rates in effect September 15, 1951, the cost of shipping a dozen fresh oranges from Lake Wales, Fla., to New York City is 6.4 cents, compared with 1.1 cents for an equivalent quantity in the form of frozen concentrated orange juice and 2.7 cents for single-strength juice. The differences are even more pronounced for shipments from the California-Arizona area to New York City. The advent of processed citrus products has brought about a much wider area of distribution than was possible with the highly-perishable fresh product. The canned single-strength juice and hot pack concentrates can be transported long distances with little or no refrigeration.

Prices

Price-wise the consumer has benefited handsomely from the development of processed citrus products. In September, 1951, housewives paid an average of 46.7 cents per dozen for fresh oranges. The average price

Schedule of Principal Events of the 1952 Convention

(Details announced to date; subject to revision and addition)

Wednesday, January 16

- 9:30 a.m.-5 p.m.—Meeting of N.C.A. Scientific Research Committee, Pine Room, Hotel Traymore
6 p.m.—Dinner meeting of N.C.A. Budget Committee, Room 1007, Hotel Traymore

Thursday, January 17

- 9:30 a.m.—Meeting of N.C.A. War Mobilization Committee, Chippendale Room, Hotel Traymore
12:30 p.m.—Luncheon meeting of N.C.A. Claims Committee, Pine Room, Hotel Traymore
12:30 p.m.—Luncheon meeting of N.C.A. Administrative Council, Mandarin Room, Hotel Traymore

Friday, January 18

- 10 a.m.—Morning Session of N.C.A. Board of Directors, Rose Room, Hotel Traymore
12:30 p.m.—Luncheon, N.C.A. Board of Directors, Rose Room, Hotel Traymore
2 p.m.—Afternoon Session of N.C.A. Board of Directors, Rose Room, Hotel Traymore
6:30 p.m.—Dinner for State Secretaries, Mandarin Room, Hotel Traymore
7:30 p.m.—Past Presidents Dinner, C.M.&S.A., West Room, Claridge Hotel

Saturday, January 19

- 9 a.m.—Meeting of N.C.A. Nominating Committee, Stratosphere Room, Hotel Traymore
9:30 a.m.—Business meeting of N.F.B.A. (morning session) Carolina Room, Chalfonte-Haddon Hall
10 a.m.—Opening General Session of N.C.A., American Room, Hotel Traymore
10 a.m.-5:30 p.m.—Canning Machinery and Supplies Exhibit, Convention Hall
1:30-5:30 p.m.—N.C.A. Raw Products Conference, Rose Room, Hotel Traymore
2 p.m.—Closing General Session of N.C.A., American Room, Hotel Traymore
2 p.m.—N.C.A. Canning Problems Conference, Ballroom, Ritz-Carlton Hotel
2 p.m.—Business meeting of N.F.B.A. (afternoon session), Carolina Room, Chalfonte-Haddon Hall
5 p.m.—Distribution of Attendance Awards by C.M.&S.A., Convention Hall
6 p.m.—Old Guard Cocktail Party and Smorgasbord, Claridge Hotel
7 p.m.—N.C.A. Research Advisory Smoker, Club Room, Hotel Traymore

- 8:30 p.m.—N.C.A. Raw Products Smoker, Rose Room, Hotel Traymore

Sunday, January 20

- 8:30 a.m.—Breakfast meeting of N.C.A. Raw Products Committee, Chippendale Room, Hotel Traymore
9:30 a.m.—N.C.A. Canning Problems Conference, American Room, Hotel Traymore
10 a.m.—Meeting of N.C.A. Statistics Committee, Pine Room, Hotel Traymore
10 a.m.—Annual business meeting of C.M.&S.A., Room B, Convention Hall
1-5:30 p.m.—C.M.&S.A. Exhibit, Convention Hall
1:30-5:30 p.m.—N.C.A. Raw Products Conference, Rose Room, Hotel Traymore
2 p.m.—N.C.A. Canning Problems Conference, American Room, Hotel Traymore
2:30 p.m.—N.C.A. Fishery Products Conference, Stratosphere Room, Hotel Traymore
5 p.m.—Distribution of Attendance Awards by C.M.&S.A., Convention Hall
8:30 p.m.—Victor Herbert Musicales, sponsored by C.M.&S.A., Warner Theater, Boardwalk (tickets available from exhibitors)

Monday, January 21

- 9:30 a.m.-12 M.—N.C.A. Tomato Products Meeting, Stratosphere Room, Hotel Traymore
10 a.m.-5:30 p.m.—C.M.&S.A. Exhibit, Convention Hall
5 p.m.—Distribution of Attendance Awards by C.M.&S.A., Convention Hall
7 p.m.—Young Guard Banquet and Entertainment, American Room, Hotel Traymore
7 p.m.—Annual N.F.B.A. Banquet, Grand Ballroom, Convention Hall

Tuesday, January 22

- 10 a.m.-5:30 p.m.—C.M.&S.A. Exhibit, Convention Hall
5 p.m.—Distribution of Attendance Awards by C.M.&S.A., Convention Hall
7:30 p.m.—Captain's Dinner (dinner dance), sponsored by C.M.&S.A., Colonial Ballroom, Chalfonte Hotel
9 p.m.—Shore Party, sponsored by C.M.&S.A., Caribbean Isle, Haddon Hall

Wednesday, January 23

- 10 a.m.-5:30 p.m.—C.M.&S.A. Exhibit, Convention Hall
5 p.m.—Distribution of Attendance Awards, Convention Hall

paid for the equivalent quantity of juice in canned single-strength form was only 21.8 cents and in frozen concentrated form was 31.8 cents, the report says.

The report concludes that the shifts that have occurred in the marketing of oranges have enabled the citrus industry to move increasing supplies of fruit at profitable prices to growers. However, the indicated upward trend in the production of oranges during the next few years will prob-

ably accentuate the problem of marketing oranges at satisfactory prices.

Carryover Stocks

According to the report, a large carryover of processed products at the end of a crop year may adversely affect the prices to growers for fruit sold in the fresh and processed outlets during the following season. The carryover of frozen concentrated and canned single-strength orange juice has been increasing over the last sev-

eral seasons. On November 1, 1951, cold storage holdings of frozen concentrated orange juice totaled about 12.4 million gallons, an increase of 55 percent over a year ago and approximately 35 percent of the total 1950-51 pack of frozen concentrated orange juice. Florida packers' carryover stocks of canned single-strength orange juice totaled 468,358 cases (basis 24/2's) on November 1, 1951, compared with 293,666 cases a year earlier, an increase of about 60 percent.

DEFENSE

SR 2 to CPR 22

OPS on December 5 issued Amendment 1 to Revision 1 of SR 2 to CPR 22 to provide manufacturers who use SR 2 an optional method for calculating the overhead adjustment factor. Canners will remember that SR 2 to CPR 22 was revised to make it available to those manufacturers who take advantage of SR 17 to CPR 22 which provided an alternative pricing method in conformity with the Capehart amendment to the Defense Production Act (see INFORMATION LETTER of November 24, page 387).

The method for calculating overhead adjustment factors needed for calculating adjustments under SR 17 to CPR 22 is provided in Section 5 of SR 2 as revised. This required manufacturers to calculate a dollar and cents overhead adjustment for each commodity being priced. A new section 5(a) has been added by Amendment 1 which permits a manufacturer to calculate in one step the overhead adjustment factor for all commodities being priced under the regulation. SR 2 may be used for an entire business, a category, or a product line. The amendment was effective on December 5.

GOR 21—Capehart Adjustment

(Concluded from page 401)

than the GCPR is made, the application must include all items covered by the same regulation. For example, the adjustments authorized by GOR 21 must be taken for all or none of the canned vegetables covered by CPR 55, or the canned fruits covered by CPR 56, packed by the particular canner. If the item is being priced under GCPR, the application must include all products "within the same category." Joint application may even be required with products covered by CPR 22, if any of the products covered by the canned foods tailored regulations share their raw material costs with any products covered by CPR 22.

Method of Determining Adjusted Ceilings

No specific formula is provided in GOR 21 by which sellers taking advantage of the regulation may compute their adjusted ceiling prices. Sellers are directed to determine ceiling prices which will reflect increases or decreases in costs between the "base

date" in the period January 1 to June 24, 1950, to July 26, 1951, in accordance with their own accounting systems. The "base date" is the date on which the seller received his highest price for a particular item from his largest buying class of purchaser during the period January 1 to June 24, 1950.

Generally, the procedure for determining the adjusted ceiling price for each item sold during the 1950 base period involves the addition to, or subtraction from, the base-period price of the item the change in its total unit cost taking place between its base date and July 26, 1951. The base-period price is generally, the highest price at which you delivered, or contracted to deliver, the item during the first six months of 1950 to your largest class of purchaser.

Section 8 of the regulation prescribes the basic methods for determining the increase in the total unit cost experienced between the prescribed dates. Manufacturers who do not allocate direct material or direct labor costs to individual items as part of their regular accounting procedure are provided with an alternative method of determining their direct costs. The general method for allocating to the item being priced its share of the general overhead, including selling and advertising costs is also set out in the regulation.

Application to Canning Industry Uncertain

A serious difficulty confronts canners who may wish to take advantage of the Capehart adjustment procedures provided for in GOR 21. It is apparent from the terms of the Regulation, and particularly from the methods prescribed for determining

unit costs for particular items on the prescribed dates, that the regulation was written without seasonal industries in mind. Further clarification from OPS will be necessary before it can be stated how most canners will be able to calculate their unit costs on prescribed dates, when these prescribed dates fall in advance of the packing season for particular items, or before the actual production costs for the year involved have been determined.

1952 Convention

(Concluded from page 401)

problems in the afternoon. The Sunday schedule will comprise conferences devoted to technical and fishery problems.

Announcements have been made of the several social events that are held annually at the Convention. These are:

Friday evening, January 18—the annual dinner for state secretaries

Saturday evening, January 19—the Old Guard Society cocktail party and smorgasbord

Sunday evening, January 20—the Victor Herbert musicale sponsored by C.M.&S.A.

Monday evening, January 21—the Young Guard banquet, and the annual N.F.B.A. banquet

Tuesday evening, January 22—the annual dinner dance of C.M.&S.A., which this year has been designated as "The Canner's Caribbean Cruise". This will be divided into two sections (1) a "Captain's Dinner" and (2) a "Shore Party".

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